

CA2 0 NAF
-73557

Government
Publications

A SOCIO-ECONOMIC STUDY OF NEW FARM OPERATORS IN EASTERN ONTARIO



Ontario Ministry of Agriculture and Food
Parliament Buildings, Toronto, Ontario

January 1973

Official publication
E-12

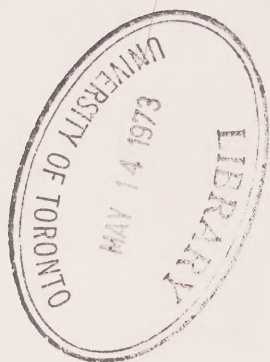
CA20NAF
-73857

Government
Publications

A SOCIO-ECONOMIC STUDY OF NEW FARM OPERATORS IN EASTERN ONTARIO

by
James M. Purvis, Head,
English, Social Science & Mathematics Section,
Kemptville College of Agricultural Technology,
and
Henry F. Noble, Senior Economist,
Land Use Section,
Economics Branch
Parliament Buildings, Toronto, Ontario

Ontario Ministry of Agriculture and Food
January 1973



FOREWORD

It is well known that rapid changes are taking place in rural Ontario. The extent and timing of such changes can be estimated only by investigation. The value of such estimates lies in their use for providing services and programs to ease the impact of change.

Is there any better way to learn about these changes and needs than to ask the people who are involved? They are the ones who are making the adjustments and planning their futures to cope with what they have come to anticipate.

The survey reported here was undertaken to draw on this valuable source of knowledge. The report can provide useful guidelines for those with responsibility for developing and implementing services for rural people.

Ford A. Stinson, Principal,
Kemptville College of Agricultural
Technology.



Digitized by the Internet Archive
in 2022 with funding from
University of Toronto

<https://archive.org/details/31761114690977>

ACKNOWLEDGMENTS

Sincere appreciation is extended to all persons who helped make this study possible, and particularly to the respondents. Special acknowledgment is also due to:

Dr. D. N. Huntley, Executive Director, and E. L. Woodley, Assistant Director, Agricultural Education and Research Division, and Dr. F. A. Stinson, Principal of the Kemptville College of Agricultural Technology, Ontario Ministry of Agriculture and Food, for their encouragement and suggestions in the initiation of the project.

Dr. E. A. Haslett, Director, and Dr. W. C. Pfeiffer, Methodologist, Economics Branch, Ontario Ministry of Agriculture and Food, for their ready assistance throughout the project.

Professor D. W. Hoffman, Department of Land Resource Science, University of Guelph, for complete cooperation in the intensive preparation of soil maps from aerial photographs.

The agricultural representatives of Dundas (W. D. Keys), Frontenac (E. R. Jennings), Glengarry (J. Y. Humphries) and Lanark (M. R. Bolton) counties.

Each of the township clerks in the four townships studied and other local personnel who shared their knowledge of the area.

R. E. Priddle, Director of Land Registration, and county registrars and their staffs, Ontario Ministry of Consumer and Commercial Relations, for document searches.

G. R. Whitcher, Chief, and staff, National Air Photographic Library, Canada Department of Energy, Mines and Resources, for efficient provision of aerial photographs.

J. G. Galway, Rural Development Counsellor, Agricultural Rehabilitation and Development Administration (ARDA), Leeds and Frontenac counties, for useful information.

TABLE OF CONTENTS

FOREWORD	3
ACKNOWLEDGMENTS	5
INDEX TO TABLES AND FIGURES	9
INTRODUCTION	11
CHAPTER I: SOCIAL ASPECTS OF THE FARM FAMILY	17
Educational and Occupational Characteristics	19
Preference and Tenure	21
Expectations	23
Community Relations	23
Business Relations	25
CHAPTER II: FARM CLASSIFICATION AND INCOME POSITION, 1970	27
Farm Classification	29
Income Position	30
Financing and Valuation	32
Mortgage and Tenure	34
CHAPTER III: FARM CLASSIFICATION OVER TIME, 1963-1970	35
CHAPTER IV: SUMMARY AND CONCLUSIONS	39

INDEX TO TABLES AND FIGURES

Table

1. Years of Previous Farm Experience, by Farm Type	20
2. Age of Operator, by Farm Class	20
3. Education Level of Operator, by Farm Class	21
4. Reasons Given for Farming, by Area Sampled	22
5. Years in Which Operators Decided to Farm, by Farm Type	22
6. Duration of Tenure, by Farm Type	23
7. Operators' Opinions on Their Areas' Future for Farming, by Farm Type	23
8. Type of OMAF Contact, by Farm Class	25
9. Operators' Opinions on Amount of Government Help Farmers Should Receive, by Area Sampled	26
10. Farm Classes, by Farm Type	29
11. Acres Under Cultivation, by Farm Class	29
12. Farm Types, by Area Sampled	30
13. Gross Farm Income, by Farm Class	31
14. Family Living Income, by Farm Class	31
15. The Source of Family Living Income, 39 Farms, 1970, by Farm Type and Farm Class	32
16. Current Market Value of Farms, by Area Sampled	33
17. Current Value of Farm for Agricultural Purposes, by Farm Class	33
18. Total Amount of Current Mortgages, by Farm Class	34
19. Source of Current Mortgage, by Farm Class	34
20. Comparison of Farm Types in 1963 and 1970, by Area Sampled	37
21. Comparison of 1963 and 1970 Data, by Farm Class	38

Figure

1. Areas Sampled, 1970	13
2. Aerial Photograph of a Farm Unit Selected for the Study	15
3. Outline of Farm Unit from Figure 2 Showing Distribution of Soil Capability Classes	15

INTRODUCTION

Recently much attention has been focused on the migration of operators from farms and on the rehabilitation measures provided to help persons who have decided to cease farming. Much less information has been available on persons who are entering agriculture to start new farm businesses.

This study deals with a wide range of information on some farm operators starting new farm businesses in eastern Ontario between 1963 and 1970. Facets of social interest include the operators' backgrounds, education, previous occupations, intentions, attitudes, social needs, community involvement including their relationships with schools and churches, and contacts with extension personnel of the Ontario Ministry of Agriculture and Food (O.M.A.F.) and general sources of information relating to their farm operations.

The human element in land-use development is given special attention in an attempt to assess the degree of ability and desire of the new operators to make use of the land's potential. The operator and his family need study and understanding no less than do the physical attributes of the land.

Items of economic importance include the size of farm operation, sources of financing, income, major farm enterprises, farm classification, farm type and duration of tenure, and soil capability classes on each farm.

The sharing of rural space between new farm operators and older established farmers is a new concept for many. Information from this study can contribute to the formation or adjustment of agricultural policies dealing with persons establishing new farm businesses. The comparison of specific farm operations in 1963 with the activities of new farm operators provides data to aid in assessing the trends in new farm businesses and their impact on agriculture in eastern Ontario. The data can also help to identify some social needs of new farmers in changing communities.

Definitions of some terms used in this study follow.

Farm class is an economic classification of farms based on soil quality and quantity. The four classes considered in this study are:

1. Farm Class A — 130 adjusted acres⁽¹⁾ or more, minimum 100 adjusted acres of crop soils (i.e., Class 1, 2 or 3 soils);

(1) Acreage was "adjusted" according to soil classes to show the number of acres equivalent to Soil Class I acres in terms of their capability for agricultural production.

2. Farm Class B – 75-129 adjusted acres, minimum 55 adjusted acres of crop soils (i.e., Class 1, 2 or 3 soils);

3. Farm Class C – 45-74 adjusted acres, minimum 40 adjusted acres of crop soils (i.e., Class 1, 2 or 3 soils);

4. Farm Class D – fewer adjusted acres than the above requirements.

Farm type is a classification based on the percentage of family income derived from farming. The two types considered in this study are:

1. Full-time farm – a farm that contributes at least 51 percent of the family living income;

2. Part-time farm – a farm that does not meet the above requirements.

Family living income is the income available to the farm family from all sources for living purposes. In addition to the dollar values quoted as family living income in this study, the family would also have the use of the farm house, produce from the farm used in the household, and in many instances the use of the car. All these items are most useful and represent additional contributions to the value of the total family cash income. For this study, family living income was derived from four sources:

1. Net farm cash income – the difference between cash received from sales of produce from the farm and farm cash expenses;

2. Income from government – the cash receipts from government sources, mainly in the form of old age pensions and family allowances, or some other form of government assistance;

3. Off-farm income – salaries and wages earned by the farmer and members of his family through employment off the farm;

4. Other income – income not mentioned above, such as investment income.

This project was designed to allow comparisons with some of the 1963 data which appeared in a study⁽¹⁾ done by the Economics Branch of the Ontario Ministry of Agriculture and Food. The focus is on the same 299 farms that were studied in 1963. The only ones selected for the 1970 study were those on which a change of ownership had occurred between 1963 and 1970. If the farm had been acquired by someone as an addition to an already established farm business, the new owner was not considered a new farm operator.

(1) Henry F. Noble, *Variation in Farm Income of Farms in Eastern Ontario by Farm Type and Farm Class and An Economic Classification of Farms in Eastern Ontario*, Farm Economics, Co-operatives and Statistics Branch, ODAF, Toronto, June 1966; and

Henry F. Noble, *Highlights . . . Economic Study . . . Agriculture . . . Eastern Ontario*, ODAF, Information Leaflet Agdex 805, Toronto, September 1967.



Figure 1. — Areas Sampled, 1970

This selection yielded a total of 39 new farm operators from the 299 farms originally studied, amounting to a 13 percent turnover in operators during the 1963-1970 period. There was an opportunity to compare the 1963 and 1970 data regarding changes in farm class, farm type, farm enterprises, and sources of income.

The farms were located in the townships of Matilda (Dundas County), Kenyon (Glen-garry County), Drummond (Lanark County), and Portland (Frontenac County). These townships were chosen in 1963 to give representative variations in soil types and market conditions (Figure 1).

The intensive use of aerial photographs with current farm boundaries clearly marked gave a specific, detailed means of comparing 1970 farm acreages with farm sizes in 1963. Appropriate aerial photographs were selected and pinpointed to show the location of the 1963 study farms.⁽¹⁾ These photographs were plotted to show the boundaries of the 1970 farm unit (Figure 2), and were then used to prepare a soil map⁽²⁾ for each farm unit (Figure 3) that was consistent with the soil capability maps of eastern Ontario.⁽³⁾

Examining the addition or deletion of land since 1963, as well as the actual use of land potential, affords a good over-all view of what has been happening during the period in terms of the upgrading of farm units by new farm operators.

A confidential questionnaire was prepared and pretested on new farm operators not included in the sample. Each of the 39 respondents was interviewed by the same person⁽⁴⁾ and the final questionnaire was completed during one visit to the farm.

In addition to completing questionnaires, the interviewer wrote a brief summary of any other pertinent information that came out of the conversation with respondents. This procedure helped in achieving some perspective and insight into each farm family situation.

In coding information from the questionnaires, four major sorts were made: (1) by Farm Class A (best), Class B, and Classes C and D (poorest); (2) by farm type to indicate full-time or part-time farmers; (3) by individual townships (Matilda, Kenyon, Drummond and Portland); and (4) by family living income.

Some 150 tables resulted from this sorting, 21 of which were reproduced for this study. Statistical procedures used in examining the data included a correlation and regression analysis to indicate significant relationships.

(1) This was done by H. F. Noble, Economics Branch, Ontario Ministry of Agriculture and Food.

(2) The maps were prepared under the direction of D. W. Hoffman, Department of Land Resource Science, University of Guelph.

(3) The soil capability maps for agriculture were prepared by the Canada Land Inventory, A.R.D.A.

(4) The interviewer was J. M. Purvis, Kemptville College of Agricultural Technology.



Scale: 1"=3,000'

Figure 2. — Aerial Photograph of a Farm Unit Selected for the Study



Figure 3. — Outline of Farm Unit from Figure 2 Showing Distribution of Soil Capability Classes

CHAPTER I

Social Aspects of the Farm Family

SOCIAL ASPECTS OF THE FARM FAMILY

The economic impact made by new farm operators is probably related to their national and geographic origin, experience, intent, and many other characteristics. This study has secured information which recognizes the human element as an important factor in the resource development of farming.

Educational and Occupational Characteristics

The constitution of the farm family, educational levels, and ages of individuals varied and often determined whether family labor was available for farm work. In some cases, the operator, his wife, or his children were qualified for well-paid, off-farm work.

Of the 39 respondents who began a new farm business between 1963 and 1970, 35 came from Ontario and 3 came from other provinces. Only 1 farmer came directly from another country. On 1 farm in 4 the operator came from an urban area. About 2 out of 3 operators indicated that their previous occupation had been farming. The 13 operators who had not previously been farming came from the following specific occupations:

- Plumber
- Shoe factory worker
- Bricklayer
- Machinist
- Engineer (hoisting)
- Electrician
- Railway worker
- Carpenter
- Telephone installer
- Laboratory technician
- Textile machine operator
- Trucker (transport)
- Public relations (auto industry)

The new farm operators coming from these diverse occupational backgrounds had varying degrees of success in applying their past experience to current farm practices. For example, a respondent with wide experience in operating heavy machinery in the construction industry seemed adept in using and maintaining heavy agricultural equipment. Other respondents familiar with serious drainage problems in the Netherlands were quick to apply the best drainage techniques on their farms.

Twenty-three percent of the operators in the study had less than 10 years of previous farm experience and 31 percent had 20 years or more (Table 1). About half the operators had 10 to 19 years of farm experience before starting their new farm businesses. Only two operators, both part-time, had no previous farm experience.

Table 1. — Years of Previous Farm Experience, by Farm Type

Farm Type	Fewer than 10 yrs.	10–19 yrs.	20 years and over	Total
Full-time	3	7	4	14
Part-time	6	11	8	25
Total	9	18	12	39

Almost 3 out of 5 operators on Class A farms were under 40 years of age (Table 2). Half of all the operators who were 50 years of age and over were on Class B farms. Of all the operators, only 1 in 5 was 50 years or over while half of the operators were under 40. Among the wives of the operators, nearly 2 out of 3 were also under 40 years of age.

Table 2. — Age of Operator, by Farm Class

Farm class	Under 40 years	40–49 years	50 years and over	Total
A	7	4	1	12
B	8	4	4	16
C & D	5	3	3	11
Total	20	11	8	39

One operator in three on Class A farms had a Grade 12 level of education or over. Almost 2 operators out of 5 had Grades 9 to 11 (Table 3). Half of the operators with Grade 12 education and over were on Class B farms. On Class C and D farms, 1 operator out of 2 had an educational level of Grade 8 or less, while of all the respondents, 1 out of 3 had Grade 8 or less. Only 31 percent had Grade 12 or over, whereas 39 percent of the operators' wives had Grade 12 or higher.

Table 3. — Education Level of Operator, by Farm Class

Farm class	Grade 8 and under	Grades 9–11	Grade 12 and over	Total
A	3	5	4	12
B	4	6	6	16
C & D	6	3	2	11
Total	13	14	12	39

None of the respondents had a university degree. Five operators (13 percent) had diplomas from an agricultural school or college. Two operators (5 percent) had attended a Manpower course in farm management. One graduate from the Kemptville College of Agricultural Technology stated that this training had given him a perspective on farming as well as providing a basic source of knowledge and added, “The study of communication has helped me in community and business matters”.

Over half of the respondents felt a need for further agricultural training, but believed that in most cases they could get sufficient help from the agricultural representative and from taking an occasional short course. Concern was expressed most frequently on the problem of keeping pace with the latest crop practices and livestock genetics. In some cases respondents also felt a need for more extensive knowledge of the procedures used in marketing farm products and for more training in farm business administration. These attitudes toward further learning were very similar regardless of farm type or class.

Preference and Tenure

In Matilda Township, more than 2 out of 3 operators had been born on a farm and gave this as their reason for selecting farming as a vocation (Table 4). Half of all the respondents gave the same reason. Tied in with this reasoning was the fact that at least 2 out of 3 full-time farms had been inherited. Ninety percent of the operators who chose farming because they “like the outdoors, animals, and plants” were part-time farmers. Six of the thirty-nine respondents indicated a desire for greater independence as their reason for taking up farming.

Table 4. — Reasons Given for Farming, by Area Sampled

Township	Born on a farm	Like out- doors	Like animals, plants	Indepen- dence	Total
Matilda	10	2	—	2	14
Kenyon	4	2	3	2	11
Drummond & Portland	8	3	1	2	14
Total	22	7	4	6	39

Additional reasons for choosing farming as an occupation included: felt encouraged because of a good father-son farm business agreement; took pride in being the fifth generation on the family farm; disliked shiftwork in factories; became weary of moving from place to place on construction work; sought a less congested environment.

Almost one quarter of all the operators decided to farm during the five years between 1966 and 1970 (Table 5). Half of all the full-time farmers decided to farm sometime between 1961 and 1965. Fewer than half the farmers had made this decision before 1961 and 60 percent of these were part-time.

Table 5. — Years in Which Operators Decided to Farm, by Farm Type.

Farm type	Prior to 1961	1961–1965	1961–1970	Total
Full-time	6	7	1	14
Part-time	11	6	8	25
Total	17	13	9	39

On half of all the full-time farms, the duration of tenure was over 5 years (Table 6). On almost one third of all the part-time farms, the duration of tenure was under 3 years. On one third of all the farms the duration of tenure was 3 to 5 years and on another third was over 5 years.

Table 6. — Duration of Tenure, by Farm Type

Farm type	Under 3 yrs.	3–5 yrs.	Over 5 yrs.	Total
Full-time	3	4	7	14
Part-time	8	10	7	25
Total	11	14	14	39

Expectations

Twenty-nine percent of the full-time farmers and 44 percent of the part-time farmers could see the same or a brighter future for dairy farming in their area (Table 7). Of all the respondents, 23 percent predicted trends to non-dairying. Only 38 percent believed that their area's future for farming was poor.

Table 7. — Operators' Opinions on Their Areas' Future for Farming, by Farm Type

Farm type	Future same or brighter for dairying	Trends to non-dairying	Future poor	Total
Full-time	4	5	5	14
Part-time	11	4	10	25
Total	15	9	15	39

Almost 3 out of 4 of the full-time farmers expected to continue farming for fewer than 25 years, while half the part-time farmers had similar expectations.

Over 75 percent of the respondents indicated that their farming progress was satisfactory to very satisfactory.

Community Relations

Much concern has been expressed over recent changes in the traditionally cohesive rural community. These changes have followed such influences as the mechanization of farms, the centralization of schools and churches, and the urbanization of rural areas. A new type of neighbor relationship has emerged that is much less personal and interdependent

than that of a generation ago. The daily visiting and the mutual help once so characteristic of farm communities are now rare. For the 25 percent of the new operators who came from an urban environment where they were accustomed to more impersonal relationships in everyday life, this lack of old-fashioned neighborliness was not a difficult or new problem. New operators who had lived in a rural community for a long time frequently deplored the lack of personal contact with neighbors. In most instances this vacuum in community life was attributed to modern machinery technology eliminating the need of help from neighbors and to television entertainment taking the place of visiting.

It appeared that rural community boundaries were still specifically recognized, with at least 80 percent of all farm operators being able to name their communities. At least 75 percent of all the respondents expressed a feeling of belonging in their communities. Class A farms had the highest proportion (92 percent) of respondents who expressed a feeling of belonging in their communities. Class B farms were next with 87 percent, followed by Class C and D farms with 73 percent. At least 69 percent of the new operators' families took part in their community's activities. On Class A farms, 83 percent of the respondents' families were involved in their local affairs.

Family relationships with schools and churches are changing as centralization of these institutions continues. As a rule, families who had lived in the area for many years felt a weakening of church and school ties. Younger operators with growing families just approaching school age often felt that their school relationships were growing stronger. Respondents who had children attending school seemed inclined to carefully weigh the advantages and disadvantages of the loss of local control in schools and churches. Some were pleased, for example, to have wider opportunities and better facilities for educating their children. These parents were content to see their children attending two different schools many miles apart because they were having an educational experience similar to that of urban students.

Of the full-time operators, 50 percent felt that their family's school relationship was becoming weaker. Only 24 percent of the part-time operators felt likewise. Moreover, 32 percent of the part-time farmers as opposed to 21 percent of the full-time farmers felt a strengthening of school relations.

Half of the full-time farmers felt that church ties were becoming weaker. Only 15 percent of all respondents felt their church relationships to be growing stronger, while 44 percent indicated a weakening and 41 percent saw no change. Some respondents traced the weakening of church ties to the closing of small local churches and the consequent need to attend a larger, less friendly church in an urban center. They recognized, however, that it was difficult to finance the old local churches as congregations dwindled.

Business Relations

At least three operators in five had no membership in a farm organization. The operators on Class A farms, however, were almost all (92 percent) members of farm organizations.

Seventy-nine percent of the full-time farmers attended agricultural meetings compared with half of the part-time operators. Operators on Class A farms easily topped the agricultural meeting attendance list with 83 percent attendance as opposed to 69 percent for the operators of Class B farms and 27 percent for the operators of Class C and D farms.

Almost 3 operators out of 4 had availed themselves of the opportunity to contact local OMAF personnel (Table 8). Contact with OMAF was made by 92 percent of the operators of Class A farms, 75 percent of the operators of Class B farms and only 55 percent of the operators of Class C and D farms. Of all the respondents, 26 percent had begun and operated a new farm business with no OMAF contact.

The various communication channels with OMAF utilized by the operators were office visits, telephone calls, letters and farm visits. Operators of Class A farms made the most frequent use of these channels with 2.9 contacts per operator, compared with 2.7 for operators of Class B farms and 2.2 for operators of Class C and D farms. For all the respondents, office calls were the most used form of communication, with 32 percent of the total contacts, followed by farm visits with 27 percent, telephone calls with 24 percent, and letters with 17 percent.

Table 8. — Type of OMAF Contact, by Farm Class

Farm class	No. of operators		Types of contact				Total contacts
	Total	No. making contact	Office	Phone	Letter	Farm visit	
A	12	11	10	8	5	9	32
B	16	12	12	7	7	7	33
C & D	11	6	3	4	1	5	13
Total	39	29	25	19	13	21	78

At least 3 out of 4 part-time operators had contact with local OMAF personnel, somewhat more than the 64 percent of the full-time operators. Most of the other operators expressed a willingness to seek extension service advice in the future feeling that the ice had now been broken.

The most frequent reasons that prompted respondents to contact OMAF personnel were land drainage and farm building renovations. These two items accounted for 20 per-

cent of the services requested. Other typical services requested were grants to remove fence rows or improve water supply and advice on rations, orchard management, fertilizers and weed problems.

Operators secured helpful information from other farmers, OMAF bulletins and newsletters, commercial farm suppliers, television, and radio, in that order. Farm magazines and papers were read by nearly all the respondents.

Twelve of the thirty-nine operators reported keeping no formal farm accounts. Four operators used the OMAF farm account book. Three were using the Can-Farm record system and each considered this system to be increasingly worthwhile as a key to farm management. Seven other operators had heard of Can-Farm but had not yet decided to use it. Five of the remaining operators used record books from other sources such as the Farm Credit Corporation and farm magazine publishers, six had professional accountants doing their records, and nine operators used their own systems.

Of all the operators, 77 percent felt that government should supply more help to farmers (Table 9). In Kenyon Township, all of the farm operators wanted more help from government.

Table 9. — Operators' Opinions on Amount of Government Help Farmers Should Receive, by Area Sampled

Township	More	Same	Less	No Opinion	Total
Matilda	9	4	—	1	14
Kenyon	11	—	—	—	11
Drummond & Portland	10	—	2	2	14
Total	30	4	2	3	39

Some part-time farmers felt that they should be eligible for government sponsored loans. A small number of respondents stated that subsidies on farm produce were unpredictable and hence not a sound basis on which to plan enterprises. The Class A farmers had the lowest percentage (66 percent) asking for more government aid.

CHAPTER II

Farm Classification and
Income Position, 1970

FARM CLASSIFICATION AND INCOME POSITION, 1970

Farm Classification

Many current farm operators are in the process of upgrading their farms in order to develop viable farm units and obtain a reasonable standard of living by farming. In some instances the process of upgrading farm units was very slow. In this study of 39 farms there was an increase of two Class A farms and five Class B farms and a decrease of seven Class C and D farms between 1963 and 1970.

In 1970, approximately 1 farm in 3 was a Class A farm. Half of these were operated as full-time farms (Table 10). In comparison, only one third of the Class B farms and only one quarter of the Class C and D farms were operated as full-time farms. Many of these farms still need to be upgraded in order to become viable farm units.

Table 10. — Farm Classes, by Farm Type

Farm type	A	B	C & D	Total
Full-time	6	5	3	14
Part-time	6	11	8	25
Total	12	16	11	39

Soil quality and acreage under cultivation can often present a more meaningful picture of a viable farm than total acreage alone. All of the study farms with at least 180 acres under cultivation in 1970 were Class A, while almost all of the farms with fewer than 60 acres under cultivation were Class C and D (Table 11). Of all the Class B farms, 56 percent had 60 to 119 acres under cultivation. Almost 1 farm in 3 had at least 180 acres under cultivation in 1970.

Table 11. — Acres Under Cultivation, by Farm Class

Farm class	Under 60	60—119	120—179	180 and over	Total
A	—	—	1	11	12
B	1	9	6	—	16
C & D	7	3	1	—	11
Total	8	12	8	11	39

Analysis of data by correlation indicated that a statistically significant positive relationship existed between gross farm income and acres under cultivation (coefficient of correlation, $r = .7863$). When further sorted by area sampled, positive relationships were shown to exist between gross farm income and acres under cultivation in Matilda Township ($r = .8302$), in Kenyon Township ($r = .7535$), and in Drummond and Portland Townships ($r = .8884$). This statistical result supports the idea that as farms become larger their income potential increases.

Thirty-six percent of the farms were full-time with 50 percent of these full-time farms being located in Matilda Township (Table 12). Forty percent of the part-time farms were located in Drummond and Portland Townships. Thirty-two percent of the part-time farms were located in Kenyon Township.

Table 12. — Farm Types, by Area Sampled

Township	Full-time	Part-time	Total
Matilda	7	7	14
Kenyon	3	8	11
Drummond & Portland	4	10	14
Total	14	25	39

Income Position

All of the Class A farms had gross farm incomes of at least \$6,000, with 2 out of 5 having a gross farm income of \$18,000 and over (Table 13). Regression analysis of the data indicated an excellent relationship between gross farm income and acres under cultivation on Class A farms ($r = .9105$). Of the Class B farms, 50 percent had a gross farm income of at least \$6,000. Almost 3 out of 4 Class C and D farms had a gross farm income of less than \$6,000. Average gross farm income was \$14,297 for full-time farms in 1970 and \$6,698 for part-time farms.

Of all the farms studied, 54 percent had a net farm income loss, and 23 percent had a net farm income of \$1,200 and over.

The major farm enterprise on 71 percent of the full-time farms was manufactured milk, which is one of the main sources of farm income in eastern Ontario.

Table 13. — Gross Farm Income, by Farm Class

Farm class	Under \$6,000	\$6,000— 11,999	\$12,000— 17,999	\$18,000 and over	Total
A	—	4	3	5	12
B	8	6	2	—	16
C & D	8	1	1	1	11
Total	16	11	6	6	39

Almost half of the farms studied in 1970 had a family living income of \$2,400 or more, with two thirds of all Class A farms in this group (Table 14). Of all the farms studied, 36 percent had a family living income of less than \$1,200, with 55 percent of the Class C and D farms in this group.

Table 14. — Family Living Income, by Farm Class

Farm class	Under \$1,200	\$1,200— 2,399	\$2,400— 3,599	\$3,600 and over	Total
A	3	1	5	3	12
B	5	5	5	1	16
C & D	6	—	5	—	11
Total	14	6	15	4	39

When family living income and gross farm income were analyzed by correlation, there was found to be a positive relationship between the two for Class A farms ($r = .7028$) and for full-time farms ($r = .7695$).

An examination of the breakdown of family living income reveals that average family living income was fairly similar on both full-time and part-time farms. The most important factor in achieving a high family living income for full-time farms was net farm cash income, while for part-time farms it was off-farm income (Table 15). This result was expected. However, it should be noted that in our sample of part-time farms, average net farm income actually showed a loss.

When the data were sorted by farm class, Class A farms exhibited the highest family living income; the average for Class A farms was \$2,632, for Class B \$2,135, and for Classes C and D \$1,882.

Table 15. — The Source of Family Living Income, 39 Farms, 1970, by Farm Type and Farm Class

Income source	Farm type		Farm class			39 farms
	Full-time	Part-time	A	B	C & D	
	\$			\$		\$
Net farm cash income (average)	1,955	−2,962	625	−2,015	−1,997	−1,197
Income from government (average)	179	475	515	369	210	369
Off-farm income (average)	79	4,415	1,320	3,781	3,195	2,858
Other income (average)	11	285	172	—	474	187
Total family living income (average)	2,224	2,213	2,632	2,135	1,882	2,217
No. of farms	14	25	12	16	11	39

No money was earned off the farm by any member of the farm household on one quarter of the farms. Family off-farm earnings were reported by 96 percent of the part-time farmers compared with 29 percent of the full-time farmers. More than half of all the operators reported no weeks of off-farm work in 1970.

In areas where part-time farming had greatly increased since 1963, it was interesting to note that some types of off-farm work brought acceptable levels of family living income without undue stress. For example, in some families, the wife taught school or had some other good off-farm earning opportunities that had a positive effect on family living income while leaving the husband free to do the farm work.

Financing and Valuation

This study suggested that in eastern Ontario in 1970 the operator who had attained a viable farm unit was in the best bargaining position concerning both the availability and the amount of farm mortgages. Ninety percent of the operators in 1970 got their main financial start with mortgage assistance or by inheriting a farm. Only 10 percent of all farms were bought with cash.

Information on the full price paid for a farm was not available for 59 percent of the farms because they were either partially or totally inherited. Further data is needed on the sale prices of Ontario farms.

The current market value was considered to be the highest price that any buyer might pay for a farm regardless of its intended use (for example, recreational, residential, or speculative). Almost 1 operator in 3 indicated that the current market value of his farm was greater than \$30,000. Fifty percent of these farms were located in Matilda Township (Table 16). One quarter of all the operators put the current market value of their farms at \$15,000 or under, and 60 percent of these farms were located in Kenyon Township. In Drummond and Portland Townships, 57 percent of the farms had a current market value within the range of \$15,001 to \$30,000.

Table 16. – Current Market Value of Farms, by Area Sampled

Township	\$15,000 and under	\$15,001– 30,000	Over \$30,000	Total
Matilda	2	6	6	14
Kenyon	6	3	2	11
Drummond & Portland	2	8	4	14
Total	10	17	12	39

For this study, the current agricultural value of the farm was considered to be the price the farm operator would agree to pay if purchasing the unit only for farming. Two out of three Class A farms had a current farm value for agricultural purposes of over \$30,000, while the majority (91 percent) of Class C and D farms had a current farm value of \$15,000 and under (Table 17). The current farm value for agricultural purposes was \$15,001 to \$30,000 on 50 percent of the Class B farms.

Table 17. – Current Value of Farm for Agricultural Purposes, by Farm Class

Farm class	\$15,000 and under	\$15,001– 30,000	Over \$30,000	Total
A	1	3	8	12
B	6	8	2	16
C & D	10	—	1	11
Total	17	11	11	39

The current market value of farms tended to be higher than the current price based strictly on agricultural uses. This was particularly true in some of the marginal but picturesque areas where a stone house, some woods, and a bit of lake-side attracted urban buyers.

Mortgage and Tenure

Current mortgages of \$15,000 and over were found on 50 percent of the Class A farms compared with only 13 percent of the Class B and 9 percent of the Class C and D farms (Table 18). Twenty-eight percent of the farms had a current mortgage of under \$15,000, and 23 percent had a mortgage of \$15,000 and over. Of all the farms surveyed, 49 percent had no current mortgages. The Class B and the Class C and D farms were much more frequently without mortgages than the Class A farms.

Table 18. – Total Amount of Current Mortgages, by Farm Class

Farm class	Nil	Under \$15,000	\$15,000 and over	Total
A	2	4	6	12
B	10	4	2	16
C & D	7	3	1	11
Total	19	11	9	39

Of the farms studied in 1970, 51 percent still had mortgages not discharged during the tenure of the present operator. Three farms in five with non-private type mortgages were Class A farms (Table 19). Regardless of the area sampled, the number of private and of non-private type farm mortgages was almost equal.

Table 19. – Source of Current Mortgage, by Farm Class

Farm class	Nil	Private	Non-private	Total
A	2	3	7	12
B	10	3	3	16
C & D	7	3	1	11
Total	19	9	11	39

Ownership was the only type of tenure for almost 2 out of 3 operators. Farm ownership is thus still the predominant type of tenure in eastern Ontario.

CHAPTER III

Farm Classification
Over Time, 1963-1970

FARM CLASSIFICATION OVER TIME, 1963-1970

During the period from 1963 to 1970, an improvement in farm classification was evident for many of the farms studied. The number of Class A farms increased from 10 to 12 (20 percent) and the number of Class B farms from 11 to 16 (46 percent). In the same period, the number of Class C and D farms decreased from 18 to 11 (39 percent).

Changes in farm types were observed for many current farms between 1963 and 1970. One farm in two was a full-time farm in 1963, but only 1 farm in 3 was so classified in 1970. This increase in the number of part-time farms was evident in all townships except Matilda, where 50 percent of the farms were classified as full-time in both 1963 and 1970 (Table 20).

Table 20. — Comparison of Farm Types in 1963 and 1970, by Area Sampled

Township	1963 farms		1970 farms		Total
	Full-time	Part-time	Full-time	Part-time	
Matilda	7	7	7	7	14
Kenyon	7	4	3	8	11
Drummond & Portland	8	6	4	10	14
Total	22	17	14	25	39
Percent	56	44	36	64	100

Although the number of full-time farmers decreased between 1963 and 1970, this study also indicated that 84 percent of the part-time operators in 1970 preferred farming to any other occupation. This finding suggests that part-time farming plays a primary role for many new operators who are attempting to become established as full-time operators in eastern Ontario.

Between 1963 and 1970, there was an increase in the average total acreage for all farms and this increase was marked for Class A and B farms (Table 21). The Class A farms were the largest in both 1963 and 1970 averaging 390 acres in 1970.

Average gross farm income in 1963 and in 1970 was higher for Class A farms than for the Class B, C and D farms. An increase in gross farm income of at least \$1,400 was evident on the Class A farms in 1970. Although gross farm income for all farms was considerably higher in 1970 compared with 1963, the average net farm income for all farms had a marked

decrease. In spite of this drop in net farm income, the Class A farms did not show a loss in 1970.

The highest average family living income in both 1963 and 1970 was for the Class A farms: in 1970, the average family living income was \$2,632 for Class A farms, \$2,135 for Class B farms, and \$1,882 for Class C and D farms.

The major farm enterprise on approximately 1 out of 3 Class A farms in 1963 and in 1970 was full-time manufactured milk. This appeared to be the only class of farm where manufactured milk continued to be as important in 1970 as in 1963.

A general comparison of the data showed considerable changes in the period from 1963 to 1970. Along with the increase in average total acreage, there was an increase in the number of Class A and Class B farms, and a considerable decrease in the number of Class C and D farms. Despite this improvement in size and farm class, there was little corresponding improvement in farm incomes. The Class A farms fared best, both at 1963 and 1970.

Table 21. — Comparison of 1963 and 1970 Data, by Farm Class

	Family living income	Gross farm income	Net farm income	No. of full- time mfd. milk farms	Total farm acreage
Class A farms	dollars				
1963, 10 farms					
Average	4,761	15,569	3,105	3 (30%)	375
1970, 12 farms					
Average	2,632	16,992	626	4 (33%)	390
Class B farms					
1963, 11 farms					
Average	2,811	3,500	1,096	5 (45%)	143
1970, 16 farms					
Average	2,135	6,512	−2,015	4 (25%)	199
Class C & D farms					
1963, 18 farms					
Average	2,412	2,987	905	10 (56%)	135
1970, 11 farms					
Average	1,882	5,410	−1,997	2 (18%)	138
All 39 farms					
1963, Average	3,127	6,358	1,523	18 (46%)	199
1970, Average	2,217	9,426	−1,197	10 (26%)	240

CHAPTER IV

Summary and Conclusions

SUMMARY AND CONCLUSIONS

1. In the 1970 study sample, there were 14 full-time farmers (36 percent) and 25 part-time farmers (64 percent). This was in sharp contrast with the 22 (56 percent) full-time and 17 (44 percent) part-time farmers on the same 39 farms in the 1963 study. This increase in part-time farming occurred in all townships except Matilda. Farmers in most areas stated that this trend to part-time farming will continue.

2. An increase in the average total farm acreage was apparent for all farm classes. The average acreage was 199 acres in 1963 compared with 240 acres in 1970. The most marked increase was on Class B farms where average acreage rose from 143 to 199 acres. Class A farms were the largest, averaging 375 acres in 1963 and 390 acres in 1970.

The study revealed a steady upgrading between 1963 and 1970 of the farm units studied. In this upgrading process, there was a positive relationship between gross farm income and the number of acres under cultivation. This relationship was found by regression analysis to be excellent on Class A farms ($r = .9105$). In some instances, A.R.D.A. farm consolidation has made it possible to increase acreage and upgrade farm class.

3. Gross farm income increased for all farm classes during the period from 1963 to 1970, but family living income decreased. A good positive relationship was evident when family living income and gross farm income on full-time and Class A farms were analyzed by correlation. Gross farm income and family living income were highest for Class A farms in both 1963 and 1970.

4. The major farm enterprise on 71 percent of the full-time farms was milk for manufacture. The percentage of farms with manufactured milk as their major farm enterprise was slightly higher in 1970 than in 1963 for Class A farms but this percentage dropped for the other classes of farms. Some of the older respondents stated that their main problem lay in not feeling financially or physically able to renovate their buildings or secure a milk quota at this late stage of their farming careers. Some of these farmers were considering help from A.R.D.A. to provide alternatives to carrying on their present farm unit.

5. The greatest contact with personnel from the Ontario Ministry of Agriculture and Food was made by Class A farmers (83 percent) compared with 55 percent contact by Class C and D farmers. A similar pattern was shown for attendance at agricultural meetings: 80 percent of Class A farmers compared with 27 percent of Class C and D farmers attended such gatherings. About half of the part-time farmers attended agricultural meetings compared with 79 percent of the full-time farmers. It seemed evident that part-time farmers and farmers on Class C and D farms did not take strong advantage of agricultural extension services.

6. Membership in farm organizations attracted 92 percent of the operators of Class A farms, while only 9 percent of farmers on Class C and D farms had joined any of these agricultural groups. As long as off-farm earning activities were most important in terms of income, the part-time farmer seldom placed a high priority on joining such groups.

7. Four of the thirty-nine operators made use of the OMAF farm account book, three used the Can-Farm record system, and six employed an accountant. Nine operators used their own system and five used record books from other sources. Twelve operators reported keeping no formal accounts.

8. There was much difference of opinion on the question of whether government should do more to help the farmer. Concerning government subsidies for farm products, for example, some respondents claimed them to be a great saving factor in times of distress and readjustment in marketing. Others stated that subsidies could result in an unpredictable future if too much dependence were placed on them by the farmer.

Several part-time farmers felt that they should be eligible for the same government loan opportunities as full-time farmers. This view was held particularly by those part-time farmers whose target was a transition to full-time farming. They stated that it was most difficult to accumulate sufficient capital at reasonable interest rates to survive this transition.

9. More Class A farms had mortgages than farms of other classes and the Class A farms were also mortgaged more heavily.

10. Seventy-five percent of the new operators expressed a feeling of belonging in their communities; however, it must be recognized that some of these respondents came from urban areas and might be less critical of the changes that have made rural community relationships more impersonal now than they were a few years ago. These former urban citizens had not been in the rural milieu long enough to recognize the changing character of neighbor relationships. It is significant that 50 percent of the full-time farmers felt that their family school relationships were weakening. Only 24 percent of part-time farmers felt this way. Church ties were felt to be growing weaker by 85 percent of all respondents.

11. Of the new farm operators starting in the period from 1963 to 1970, 90 percent were from Ontario. All but 5 percent had some previous farm experience. There were no full-time farmers without previous farm experience.

12. In educational standing, only 31 percent of the operators had Grade 12 or over, whereas 39 percent of the operators' wives had Grade 12 or higher. Five operators (13 percent) had earned diplomas in agriculture at an agricultural school or college. Over one half (56 percent) of the respondents felt a need for up-to-date agricultural training. Half of the operators were under age 40, while nearly 63 percent of their wives were also under 40.

13. Over 75 percent of the respondents felt that their farming progress was at least satisfactory or very satisfactory. Fewer than 2 out of 5 of all the respondents predicted a poor future for farming in their communities. Of the full-time operators who were generally optimistic about the future of farming in their area, more than half predicted trends away from dairying.



3 1761 11469097 7